MIC

Republic of the Union of Myanmar
Form (2)
Sr. No. 12270
Dated 14-12-2012
Myanmar Investment Commission

The Myanmar Investment Commission
PERMIT

Permit No. 526/2012

Date: 14 December 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. SONG YOUNG BOK

(b) Citizenship KOREAN

(c) Address EUNPYEONG NEW TOWN GUPABAL APT 919- 306 JINGWAN- DONG, EUNPYEONG- GU, SEOUL, SOUTH KOREA

(d) Name and Address of principal organization STONE HOUSE CO., LTD. JEWELRY CENTRE # 101, 9-3 BONGIK- DONG, JONGNO- GU, SEOUL,REPUBLIC OF KOREA

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of business in which investment is to be made MANUFACTURING OF CUBIC ZIRCONIA, SYNTHETIC STONE UNDER CMP BASIS

(g) Place(s) at which investment is permitted NO. 221, U AUNG THU STREET, HLAING THAR YAR INDUSTRIAL ZONE (2), HLAING THAR YAR TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US$ 1.37 MILLION

(i) Period for bringing in foreign capital WITHIN 3 YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.37 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR STONE HOUSE CO., LTD.

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် ပုံစံ (၂)
စာအမှတ် ၁၂၂၇၀
ရက် ၁၄·၁၂·၂၀၁၂

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၂၆/၂၀၁၂ ၂၀၁၂ ခုနှစ်၊ ဒီဇင်ဘာလ ...

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. SONG YOUNG BOK

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ EUNPYEONG NEW TOWN GUPABAL APT 919- 306 JINGWAN- DONG, EUNPYEONG- GU, SEOUL, SOUTH KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ STONE HOUSE CO., LTD. JEWELRY CENTRE # 101, 9-3 BONGIK- DONG, JONGNO- GU, SEOUL, REPUBLIC OF KOREA

(င) ဖွဲ့စည်းရာအရပ် REPUBLIC OF KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် CUBIC ZIRCONIA, SYNTHETIC STONE အချောကိုင် ထုတ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) အမှတ် ၂၂၁၊ ဦးအောင်သူလမ်း၊ လှိုင်သာယာစက်မှုဇုန် (၂)၊ လှိုင်သာယာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁.၃၇ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး (၃)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၃၇ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် MYANMAR STONE HOUSE CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-698/ 2012(12270) Tel: 067- 406334, 406075
Dated : 14 December 2012 Fax: 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Cubic Zirconia, Synthetic Stone under CMP basis" under the name of Myanmar Stone House Co., Ltd.

Reference: Myanmar Stone House Co., Ltd. Letter dated (10.8.2012)

1. The Myanmar Investment Commission, at its meeting (36 /2012) held on (29-11-2012) had approved the proposal for investment in "Manufacturing of Cubic Zirconia, Synthetic Stone under CMP basis" under the name of "Myanmar Stone House Co., Ltd." submitted by Mr. Song Young Bok as a wholly owned foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15 (Fifteen) years commencing from the date of signing of the Lease Agreement for land and buildings and extendable for another 5 (Five) years 2 (two) times period by mutual agreement between both parties. At the end of the Lease Agreement for land and buildings, Myanmar Stone House Co., Ltd. shall transfer the leased land and buildings (immovable properties) to the lessor within six months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and buildings shall be US $ 14,160 (United States Dollar fourteen thousand, one hundred and sixty only) for the 1st year calculated at the rate of US$ 20.32 per square meter per year, US$ 15,240 (United States Dollar fifteen thousand, two hundred and forty only) for the 2nd year calculated at the rate of US$ 21.87 per square meter per year, US$ 16,440 (United States Dollar sixteen thousand, four hundred and forty only) for the 3rd year calculated at the rate of US$ 23.59 per square meter per year, US$ 17,520 (United States Dollar seventeen thousand, five hundred and twenty only) for the

4th year calculated at the rate of US$ 25.14 per square meter per year and US$ 18,600 (United States Dollar eighteen thousand, six hundred only) for the 5th year calculated at the rate of US$ 26.69 per square meter per year of the covered area of the buildings measuring (696.77) sqm. The rate of rent shall be revised in view of prevailing land lease rates after 5 (Five) years period and increase of the rent shall be negotiated the preceding annual rent.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance following 3 years tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the

enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Myanmar Stone House Co., Ltd. shall have to sign the Lease Agreement for land & buildings with U Tin Maung Soe. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Myanmar Stone House Co., Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Myanmar Stone House Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. Myanmar Stone House Co., Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Myanmar Stone House Co., Ltd. shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section- 2(h) of the said Law, other than foreign currency.

13. Whenever Myanmar Stone House Co., Ltd. brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)].

15. Myanmar Stone House Co., Ltd. shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. Myanmar Stone House Co., Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Myanmar Stone House Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems. In addition to this, it shall carry out as per comments made by Ministry of Environmental Conservation and Forestry in which to conduct Initial Environmental Examination (IEE) process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP.

18. Myanmar Stone House Co., Ltd. shall follow the procedures prescribe by the Commission, vide letter no. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-years operation period.

19. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Stone House Co., Ltd.

20. Myanmar Stone House Co., Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the Procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Myanmar Stone House Co., Ltd.

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Regional Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Construction
7. Ministry of Mines
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour, Employment and Social Security
12. Ministry of Electric Power
13. Ministry of Environmental Conservation and Forestry
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Director General, Department of Forestry
25. Managing Director , Myanmar Gems Enterprise
26. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)